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DOCUMENTS, REPORTS, AND LEGISLATION

Industries and Commerce

The address of President Taft on *Conservation of the Soil*, delivered at the National Conservation Congress, Sept. 25, 1911, has been reprinted by the Department of Agriculture as Circular No. 38 (pp. 8).

The *Official Proceedings of the Nineteenth National Irrigation Congress*, held at Chicago, Dec. 5-9, 1911 (Arthur Hooker, secretary, Spokane, Washington, 1912, pp. 359), includes the addresses delivered at the convention. Among the topics discussed were "The Uses of the Great Lakes"; and "Principles Underlying Water Rights."

The *Proceedings of the Eighth Annual Convention of the National Rivers and Harbors Congress*, held December 6-8, 1911 (S. A. Thompson, secretary, 824 Colorado Building, Washington, 1912, pp. 310), gives evidence of the active campaign carried on for the improvement of waterways. A policy of an annual river and harbor bill has been inaugurated, and the amount appropriated in the past seven years since the association was organized is \$82,000,000 more than for a similar period previous. Among the papers published are "The Mississippi Valley Waterway System and South American Trade," by Professor Kinley (pp. 19-31); "Influence of the Panama Canal on the Development of the Lumber Industry," by J. N. Teal (pp. 74-88).

The State Library of Washington has published a *Select List of References on Conservation of Natural Resources* (Olympia, 1911, pp. 38).

The "Crop Reporter" (Washington, Department of Agriculture) for April, 1912, contains an article on *High Prices and Crop Production* in which from statistical data it is shown that the production of staple food products in the past few years has increased more rapidly than population.

Hearings on the Development and Control of Water Power before the National Waterways Commission, November 21-24, 1911, has been published as Senate Document No. 274 (62 Cong., 2 Sess., 1912, pp. 292).

According to the *Report of the Governor of the District of Alaska for 1911* (Washington, Department of the Interior, 1912, pp. 92) Alaska is not likely to develop until there is a more liberal policy in behalf of capitalized interests. Population increased only 764 be-

tween 1900 and 1910. The report contains a summary of industrial resources and at the end there is a bibliography of ten pages.

The Library of Congress has added to its list of useful bibliographies a compilation of references on *Parcels Post* (Washington, 1911, pp. 39). Books and articles in periodicals extending from 1859 to 1911 are listed.

President Taft in a *Message* communicated to Congress, February 22, 1912, transmitted the *Report of the Commission on Second-Class Mail Matter* (1912, pp. 100). An elaborate analysis of the cost of the different branches of postal service is made, from which the commission recommends that there should be an increase in the charge for second-class mail applied to both newspapers and periodicals.

Everglades of Florida (Sen. Doc., No. 89, 62 Cong., 1 Sess., 1911, pp. 208) contains a compilation of acts, reports, and other papers relating to the everglades of Florida and their reclamation. Documentary material extends back to 1819. There are two maps.

Alabama's New Era, published by the State Board of Immigration (Montgomery, pp. 148), presents information in regard to resources and industrial opportunities.

Bulletin No. 13 of the Milwaukee Bureau of Economy and Efficiency deals with *Milk Supply* (Milwaukee, Jan., 1912, pp. 47); it is prepared by S. M. Gunn. The average per capita consumption of milk is 0.64 pints per day. The supply is derived from 1900 farms, and 95 per cent comes from within 45 miles. There are 188 retail dealers distributing in wagons in addition to about 1100 stores selling milk. 61 per cent of the total supply is handled by ten dealers; 52 per cent by four, and 36 per cent by one dealer.

The Bureau of Corporations has issued Part II of *The Steel Industry: Cost of Production, Preliminary Report* (Washington, Jan. 22, 1912, pp. 144). The report is based on the actual records of companies producing two thirds of the products from 1902-1906 as well as more restricted returns for later years. A difficult problem in the analysis of the records was the separation of intercompany and transfer profits.

The Wisconsin Water Power Association has published in pamphlet form the opinion of the Supreme Court of Wisconsin on *The Water Power Cases*, rendered Jan. 30, 1912, declaring the recent Wisconsin act unconstitutional.

The Bureau of Statistics of Massachusetts anticipates the federal report in presenting the census returns of 1910 in its *Twenty-Fourth Report on the Statistics of Manufactures* (Boston, 1911, pp. xxxi, 111). The rate of increase during the last five-year period was greater than for the preceding half decade. Population increased 12.1 per cent and value of manufactured products 32.6 per cent in the years 1905-1910. The classification of manufacturing establishments formerly used by the state bureau has now been made to conform with that of the federal census.

In the *Annual Report of the Commissioner of Navigation* for 1911 (Washington, 1911, pp. 299) special attention is given to a discussion of Panama Canal tolls and also to the question of federal regulation of radiocommunication.

Two reports, majority and minority, have been made by the Committee on Interstate and Foreign Commerce on the *Operation of the Panama Canal* (H. R., No. 423, March 16 and 20, 1912, 62 Cong., 2 Sess., pp. 13, 16). The majority report supports a bill (H. R., No. 1969) which among other provisions authorizes uniform toll charges not exceeding \$1.25 per ton without preference to any foreign nation or to Americans; the reasons for such recommendation are given at length. The minority advocates the exemption in favor of vessels engaged in commerce between the states.

An exceptionally valuable report is that on *The Sheep Industry in Canada, Great Britain and the United States*, issued by the Department of Agriculture of Canada (Ottawa, Nov., 1911, pp. xi, 187). The inquiry, prompted by the decline of the sheep industry in Canada, was made by special commissioners who spent several months in the United States and Great Britain. Special attention was given to methods of marketing both wool and mutton. The woolgrowing industry of the United States is regarded as more interesting than instructive. "It is even disappointing because it has not developed in proportion to the support it has received" (p. 48). The system of cross-breeding in the Western states is unsatisfactory; shearing sheds are very crude; there is much waste; and there is a lack of labor-saving devices. The system of marketing wool is equally unsatisfactory.

The Canadian Oyster Industry (Ottawa Commission of Conservation, 1911, pp. 20), by M. J. Patten, gives statistics of a dying industry and discusses methods of control for its revival.

Russian Cereal Crops, by Edward T. Peters, has been published

by the Department of Agriculture as Bulletin No. 84 (Washington, 1911, pp. 99). It covers the years 1901-1910. A map illustrates the distribution of population.

Corporations

The Senate Committee on Interstate Commerce has already published thirty-two parts of *Hearings* authorized under Senate Resolution 98, concerning the desirability of changes in the laws regulating corporations, persons and firms engaged in interstate commerce. A large number of witnesses have appeared before the committee; and the hearings are valuable as illustrating the extraordinary diversity of opinion of the lawyers, business men, economists, and others upon the present conditions of governmental control of interstate commerce. These documents contain a considerable number of original memoranda and most of the bills which have been proposed for the purpose of amending or supplanting the Sherman Act. In Part XXX (Feb. 24 and 28) there is supplementary testimony and evidence submitted by Messrs. Untermeyer and Brandeis, the latter relating to the United Shoe Machinery Co.; and in Part XXXI (March 13-15), testimony bearing upon the Panama Canal trade route.

The Stanley Committee of the House of Representatives, appointed for the purpose of investigating the United States Steel Corporation, has published nearly sixty parts of *Hearings*. Part LIII contains an elaborate report of the accountant, Mr. F. J. MacRae, in four sections. The first of these contains the report proper; the second, extracts from the minutes of the board of directors, executive and other committees on the administration and general policies of the Steel Corporation; the third, documents; and the fourth, a general index of the report. The first also includes an elaborate series of exhibits showing the financial history and present condition of the Steel Corporation.

In the *Annual Report of the Commissioner of Corporations for 1911* (Washington, Apr. 8, 1912, pp. 6) attention is directed to the need of further legislation to supplement judicial procedure after disintegration of trust organizations. The companies which formed the American Tobacco Company and the Standard Oil Company should be subject "to constant inspection by a federal office." It is "wholly impossible to enforce effectively any real system of restraint through the courts alone."

Other investigations of trusts are represented by *Hearings* before

the House Committee on Rules on the International Harvester Company (Jan. 17, 1912, pp. 43); *Hearings on the Investigation of the Shipping Trust* (Dec. 18, 1911, pp. 122); and a brief report of the Special Committee of the House of Representatives to Investigate the American Sugar Refining Company and others, in which the history of trust development in the sugar refining business is summarized. (Chairman of Special Committee, Mr. Hardwick, 1912, pp. 32.)

Note should also be made of the message of President Taft on *The Anti-Trust Statute* (Dec. 5, 1911, pp. 43), in which federal incorporation is again recommended.

There has been prepared for the use of the Committee on Interstate Commerce of the House of Representatives a compilation on *Trusts in Foreign Countries* (Washington, 1911, pp. 132, 30), containing laws and references concerning industrial combinations in Australia, New Zealand, Canada, and Continental Europe, and a digest of the British Companies Act of 1908. Among the papers are reprints of articles by Francis Walker and two reports on German trusts made by consular officers.

In "Greater New York" (the bulletin of the Merchants' Association of New York) for April 15, 1912, are published the recommendations of the association for amending the Sherman Anti-Trust Act. The plan in brief follows the Canadian Combines Investigation Act, in ascertaining quickly and definitely whether any particular form of business is illegal.

Students of the trust problem will be interested in *Operations of the United States Shoe Machinery Company*, a booklet made up from a series of articles contributed to the "Weekly Bulletin of Leather and Shoe News" (Boston, Weekly Bulletin Publishing Company, 1911). It criticises severely the lease system by which the Shoe Machinery Company has, it is charged, been able to control a large proportion of the machine-made shoes, and advocates among other things that the tariff on imported shoes be reduced so that outside competition may prevent the Shoe Machinery Company from exacting a monopoly profit from the wearers of shoes in the United States. After reading this pamphlet, one would do well to consult the report of the Senate Interstate Commerce Committee which has published the leases of the Shoe Machinery Company in full. M. H. R.

The investigation of the United Shoe Machinery Company in Canada up to April, 1911, is summarized in *Report of Proceedings under the*

Combines Investigation Act for the year ended March 31, 1911 (pp. 22), published as an appendix to the report of the Department of Labour.

In the *Second Annual Report of Statistics of Express Companies in the United States* for 1910 (Washington, Interstate Commerce Commission, 1912, pp. 38), it is shown that the "record value" of all property used in operation by express companies is but 12.37 per cent of their total assets. One company, with working property valued at \$29,000, is reported to have made a net profit of \$139,000. The report contains abundant data illustrating the problem of franchise value.

The *Twenty-third Annual Report on the Statistics of Railways in the United States* containing statistics for the year 1910 has recently been issued by the Interstate Commerce Commission. There is but one prominent change in the composition of the report, and that is the omission of the accident statistics. It is gratifying to note that for the first time there is included a detailed statement of the railway securities owned by railway corporations. On the other hand, the figures for switching and terminal companies are still lacking; and it is to be hoped that the studies of the commission will have been sufficiently completed before the next report to permit of their inclusion. And would it not be possible to publish the volume within twelve months of the date of the statistics?

E. R. D.

Bulletin 28 of the Bureau of Railway Economics discusses the *Effect of Recent Wage Advances upon Railway Employees' Compensation during the Year Ending June 30, 1911; Variations in the Numbers of Railway Employees 1909-1911; and Relation of the Number of Employees and their Compensation to Traffic and Revenue* (Washington, Feb., 1912, pp. 47). Interesting and novel statistical ratios are worked out showing the number of employees per 1,000 miles of line, in different branches of railway service.

Accounting Bulletin, No. 7 of the Interstate Commerce Commission, entitled *Decisions upon Questions Raised under Classifications Prescribed by the Interstate Commerce Commission for Electric Railways, in Accordance with Section 20 of the Act to Regulate Commerce, Effective on January 1, 1912* answers 262 questions which have come up in reference to the administration of the accounts by the Interstate Commerce Commission. The bulk of the questions has to do with the

classification of particular costs, *i. e.*, the uncertainty to what specific account a particular cost should be charged. In every case the answer is explicit and direct. The bulletin really supplements the classification of accounts published by the commission. Similar bulletins have previously been published in reference to both electric and steam roads.

J. B.

The *Report of the Tax Commissioner of Corporations of Massachusetts upon Voluntary Associations* (Boston, 1912, pp. 31) assembles useful information in regard to a peculiar form of organization which has received in this country its greatest development in Massachusetts. Voluntary associations, which were common in England a century ago, are similar to corporations in that shares are transferable and that there is limited liability; but on the other hand they escape some of the obligations and responsibilities of corporations. The report discusses the form and status of these associations and recommends legislation.

The Special Libraries Association (State Library, Indianapolis, Ind.) has reprinted from "Special Libraries" a bibliography on *Street Railway Service* (10c.).

On March 6, 1912, Governor Foss of Massachusetts sent a special message to the legislature advocating the establishment of a public utilities commission to take the place of the several commissions now in existence. This is favored on the ground that a single commission would be more efficient, a higher standard could be set, and uniform principles of control would be developed. A proposed bill drafted by Professor Bruce Wyman, of the Harvard Law School, is appended. (Boston, H. Doc., No. 1904, pp. 69.)

A serviceable report published by the California Railroad Commission deals with *Leading Railroad and Public Service Commissions* by Max Thelen (Sacramento, 1911, pp. 98). The author, attorney for the commission, visited the commissions in twelve states and summarizes his data under headings, such as organization and office systems, physical valuation, rate making, engineering department, supervision of securities, forms of accounts, etc. It is doubtful if so much information on the work of commissions at the present time is elsewhere available in so convenient a form.

In the *Report of the Public Service Commission of Maryland for 1911* (Baltimore, 1912, pp. 738) will be found a large mass of material bearing upon the subject of telephone rates. This includes the

report of the chief engineer relative to proposed rates of the Chesapeake and Potomac Telephone Company, and the report of D. C. and Wm. B. Jackson on telephone rates in Baltimore, referred to in a subsequent note.

The *Report of the Secretary of State of Canada for 1911* (Ottawa, 1911, pp. 641) is of interest as illustrating methods of federal supervision of corporations at the time of incorporation. Objections have been made in the past to federal incorporation on the ground that it infringed upon the rights of the provincial legislatures. Such doubts apparently are disappearing, for strong corporations are seeking the privileges of the Dominion Act. This bulky volume contains transcripts of the objects of business of every company seeking a charter during the year. The submission of this as well as payment of fee must be made before a "letter patent" is issued.

New rates proposed by the Chesapeake and Potomac Telephone Company for Baltimore were submitted by the Public Service Commission of Maryland to the electrical engineers recently employed on similar investigations in Chicago and Boston, and the results are published in a *Report to the Public Service Commission of Maryland on the Telephone Rates in the City of Baltimore*, by D. C. and W. B. Jackson (1911, pp. 32). In the main, the experts approved the proposals of the telephone company, including its proposal to abolish flat-rate unlimited business service. The economist's interest in their report will lie especially in the theory of rate-making recommended by the experts to the Public Service Commission.

This theory is founded upon the proposition that "a perfect rate for any telephone service would be one which would return to the company the entire cost of rendering that service," but is modified in consideration of the fact that "the business subscribers of the city who use a great many messages demand the speediest and most accurate service obtainable at any cost, but other business subscribers and the residence subscribers would often be well satisfied by a more leisurely grade of service." Since it is not practicable to offer different grades of service within a single telephone system, "the cost of performing specific service for the small users is not in itself a fair basis of rates in case the cost is to be put where it belongs; and a distinction should, therefore, probably be made in class rates so that the cost of speed and accuracy may be placed on the classes of subscribers who demand it." That is to say, the Public Service Commission is advised that rates should be based, not strictly upon the

cost of serving the several classes of subscribers, but upon such cost subject to certain economic and social considerations, the force of which must be judged by the commission. A. N. H.

The pamphlet edition of the *Fifth Annual Report of the New York Public Service Commission, Second District*, for 1911 (Albany, 1912, pp. 154), summarizes the work of the commission for the past year. There are now 940 companies under its supervision. Expenses were \$343,000. The number of complaints shows an increase, particularly those made by correspondence.

The quarto volume of the *Fourth Annual Report of the New York Public Service Commission, Second District*, Vol. III, contains abstracts of reports of electrical, gas, and telephone companies (Albany, 1911, pp. 192). The tabulations include abstracts of reports of municipal corporations operating lighting plants. In all there are two cities and forty-eight villages which operate municipal lighting plants. As not all of these have adopted practices of modern accounting, it is difficult to tabulate returns for these plants.

The opinions filed by the New York Public Service Commission for the First District beginning with January, 1912, are to be published in an *Official Series of Reports*, in form similar to reports of decisions of courts. These will include syllabi, indices, and judicial decisions reviewing orders of the commission. Opinions will appear first in pamphlet form about once a month, and there will be at least one bound volume a year. The price is \$2.00 per volume. Subscriptions may be sent to Travis H. Whitney, secretary, 154 Nassau St., N. Y.

The *Public Service Laws of Vermont*, compiled from the public statutes and the acts of 1908 and 1910 have been issued as a separate pamphlet (1911, pp. 121). There is a table showing the dates of enactment of different provisions, which throws light on the history of the development of regulation.

The *Annual Report of the Board of Directors of the American Telephone and Telegraph Company for the year ending December 31, 1911*, in addition to showing the remarkable development of the telephone business in the United States, contains an elaborate discussion upon the desirability of building up a considerable reserve against future extraordinary risks and also an interesting contribution to efficiency literature by showing the gains resulting from the union of the telephone and telegraph service. M. H. R.

The argument of G. W. Anderson of Boston in the Haverhill Gas Case, made before the Board of Gas and Electric Light Commissioners of Massachusetts, Dec. 14, 1911, has been privately printed under the title *Twenty-five Years of Regulated Monopoly* (pp. 46). It is an interesting review of the history of a public service corporation, in which questions of reduction of price and reorganization by a securities company are involved.

In this connection is to be noted the decision of the Board of Gas and Electric Light Commissioners (Boston, pp. 9), rendered Dec. 30, 1911, adverse to the petition of the Haverhill Gas Co. to increase its stock.

Labor

PROPOSED FEDERAL COMPENSATION ACT; COMPARISON WITH STATE LAWS. The federal compensation act, which was drawn up by an able commission of which Senator Sutherland is chairman, was transmitted to Congress by President Taft on February 20.¹ The proposed act applies to railroads engaged in interstate commerce and compels them to pay compensation to employees injured while engaged in such commerce. The right to compensation is granted irrespective of negligence on the part of the railroads and supersedes all other civil remedies. The amount of compensation depends on the rate of wages and varies in accordance with the degree of injury. For total disability the injured man receives one half wages during his life. In case of death compensation is paid to the widow or children.

Controversies are to be settled by agreement, or by a committee chosen by the employer and employees, or if they are not settled in this way they are determined by the adjusters in each district appointed by the District Courts. There is an appeal from the decision of the adjuster to the District Court sitting without a jury unless a jury is claimed within five days and a fee of \$5 is deposited. From the decision of the District Courts there is an appeal to the higher courts on questions of law. There is no provision in the act for an administrative board nor does it require the railroads to carry insurance.

It will be of interest to contrast this act with several of the laws passed by the states. Acts have been passed in about a dozen states. They differ from each other in many respects and we may take the laws of New Jersey, Wisconsin, Massachusetts, Ohio and Washington

¹ *Message of the President of the United States Transmitting the Report of the Employers' Liability and Workmen's Compensation Commission.* (Sen. Doc., No. 338, 62 Cong., 2 Sess., Vol. I, pp. 214).

as representing the various types. They all agree in allowing recovery irrespective of negligence. The New Jersey law does not provide an administrative board and the controversies are to be settled in the ordinary courts. The Wisconsin law provides a board to administer the law; and this board determines the controversies arising under the act with a limited appeal to the courts. The Massachusetts act adds the requirement that an employer must insure the compensation in a liability insurance company or in a large mutual company patterned after the German practice. The Ohio act establishes a system of state insurance and provides for contribution to the premiums by the employees. All these laws are elective and the amount of compensation is based on the wages earned by the injured man. The act of the state of Washington is compulsory. It provides for state insurance; it differs from the other laws in the feature that the amounts of compensation do not vary according to wages but are awarded at the same rate to all injured employees.

The federal act differs from all the above acts except that of New Jersey in not providing for an administrative board. The absence of such a board will not be so great a defect as it would be in the case of a state law, as the law applies only to one kind of employment and does not require so much technical oversight to insure its effective operation. The employees of interstate railroads are a very intelligent class of men and do not need the same provisions for protecting their interests as the less intelligent operatives in many other industries.

The lack of any requirement of insurance has been found in England to be a great disadvantage but it is not a serious drawback in this instance as there are so few railroad systems of the country which are not financially sound. A great advantage which the proposed act possesses over the state laws is that it applies to all railroads engaged in interstate commerce and there is no question of imposing too great a burden on the industry of one state as contrasted with that of another.

The chief advantage over all state laws except that of Washington is that it is compulsory and requires railroads to conform to it. All the state laws but one are elective, with the result that, although the state has declared the new law to be required in the interests of modern industrial development, it has no means of providing that all industry shall be subject to it as every employer has the choice of accepting or rejecting the law. This situation was due to a fear that

the courts of other states would follow the New York court in holding compulsory laws unconstitutional. The federal bill will be watched with great interest and if it is passed by Congress and upheld by the Supreme Court of the United States it will have great effect on the future development of such laws in the various states.

JAMES A. LOWELL.

CONSTITUTIONALITY OF OHIO'S EMPLOYERS' LIABILITY LAW. At the time of the passage of the Employers' Liability Law considerable doubt was expressed as to its constitutionality. Benefitting from the experience of some other states whose acts, after having been placed in operation, were declared unconstitutional, Ohio secured a decision on this point before the law was completely placed in operation. When the three commissioners were appointed to administer the act, a friendly suit was instituted upon a commissioner's attempting to draw his first salary. The case was ably presented to the court and a large amount of evidence was submitted on both sides. The chief points made against the act and the court's reply in each case were as follows: (1) That it was an unwarranted exercise of the police power. To which the court replied that anything "reasonable and necessary to secure the peace, safety, morals and best interests of the commonwealth may be done under the police power." (2) That it takes private property without due process of law, and that it deprives the employer of the common law defense in case he did not subscribe to the fund, and second, that it deprives the employee of his wages and a trial by jury. To this the court replied that depriving the employer of the common law defense was not coercive, since he might elect whether he would or would not come under the act. And further, that the employee was not coerced, in that he had the option of making a claim under the act or suing in the court for damages. (3) That it deprived the parties of freedom of contract and impaired the obligation of contract. On the second part of this point the court replied "that existing contracts are not affected and that any contracts made subsequent should conform to the spirit and letter of the law." And further, that while the courts of the country have resisted any encroachment on the constitutional guarantees, yet they have found in these constitutions ample powers to enable the legislative will to meet the emergencies and changing needs in a developing society. (4) That it makes an unjust and arbitrary classification and does not affect all who are within its reason. The court refused to

consider seriously the first part of this objection and on the second it said that in order to be general and uniform in operation it is not necessary that the law should operate upon every person in the state. If it operates uniformly upon all brought within the law, it is not discriminatory legislation. (5) That it creates a court with judges appointed by the Executive of the state. The court replied that the board appointed is not a court but an agency to collect and administer an insurance fund.

Since the constitutionality has been decided, the board has proceeded to place the act into operation. In order to acquaint the people with its working, their agents have been sent into the industrial centers of the state to explain the provisions of the act. The rates have been promulgated for only a six months' period, at the close of which time it is proposed to revise the rates in accordance with experience. The rates promulgated are considerably higher in some occupations than those charged by private employers' liability companies in a number of the states. However, it seems likely that the act will be taken advantage of by a great number of employers.

W. F. GEPHART.

COMPENSATION LEGISLATION IN NEW YORK IN 1912. The decision of the New York Court of Appeals in 1911 setting aside as unconstitutional the Wainwright Compensation Act presented two alternatives to the New York legislature which has just adjourned. A compensation amendment, empowering the legislature to pass a compulsory compensation law, might be added to the state constitution; or the plan might be adopted, which is being tried in so many neighboring states, of permitting compensation and at the same time penalizing employers and employees who refuse to adopt the system so that they will be under strong pressure to accept it. The New York branch of the Association for Labor Legislation decided in favor of the first plan, and largely as a result of its efforts, the legislature passed, just before the close of the session, a joint resolution which, if again adopted by the legislature and approved by popular vote in the election of November, 1913, will become a part of the constitution of the state. The important portion of this joint resolution is as follows:

Nothing contained in this constitution shall be construed to limit the power of the legislature to enact laws for the protection of the lives, health, or safety of employees; or for the payment, either by employers, or by employ-

ers and employees or otherwise, either directly or through a state or other system of insurance or otherwise, of compensation for injuries to employees or for death of employees resulting from such injuries without regard to fault as a cause thereof, except where the injury is occasioned by the willful intention of the injured employee to bring about the injury or death of himself or of another, or where the injury results solely from the intoxication of the injured employee while on duty; or for the adjustment, determination and settlement, with or without trial by jury, of issues which may arise under such legislation; or to provide that the right of such compensation, and the remedy therefor shall be exclusive of all other rights and remedies for injuries to employees or for death resulting from such injuries; or to provide that the amount of such compensation for death shall not exceed a fixed or determinable sum; provided that all moneys paid by an employer to his employees or their legal representatives, by reason of the enactment of any of the laws herein authorized, shall be held to be a proper charge in the cost of operating the business of the employer.

As will be seen, the amendment includes a broad definition of the police power, in addition to the clauses relating to compensation. The final clauses, added out of deference to the insistent desire of an influential member of the assembly, would be more proper in a statute than in the constitution but will not, it is believed, seriously hamper the legislature in drafting a wise compensation law.

At the same time that this compensation amendment was being considered, three different bills were before the legislature. Of these, one copied closely the Washington Compulsory State Insurance Law; another, the Ohio Optional Insurance Law; and the third, the New Jersey Optional Compensation Law. No one of these bills was brought to a vote.

HENRY R. SEAGER.

THE MASSACHUSETTS MINIMUM WAGE COMMISSION, appointed by the Governor, in 1911, to investigate the wages of women and minors in Massachusetts industries and to consider the advisability of establishing minimum wage boards, has submitted its report¹ (Boston, Jan., 1912, pp. 33). This commission restricted its investigation to female employees in confectionery factories, retail stores and laundries, and to the cotton industry. Most of the information with respect to the latter was obtained from the first volume of the federal report upon the *Condition of Women and Child Wage-Earners in the United States*. Information concerning the other industries was obtained by special investigators under the direction of the commission itself.

The following tables summarize the most important of the commission's findings:

NUMBER OF EMPLOYEES INVESTIGATED OVER EIGHTEEN,
WITH CLASSIFIED WEEKLY WAGES

	Under \$4	\$4 to \$4.99	\$5 to \$5.99	\$6 to \$6.99	\$7 to \$7.99	\$8 and over	Total
Confectionery	197	302	296	206	133	84	1,218
Stores	90	201	555	526	358	1,131	2,861
Laundries	23	113	209	164	127	211	847
Cotton	860	732	1,033	1,045	958	2,305	6,933
Total	1,170	1,348	2,093	1,941	1,576	3,731	11,859

¹ The commission reached the conclusion that the establishment of minimum wage boards is advisable. See AMERICAN ECONOMIC REVIEW, March, 1912, p. 31.

DISTRIBUTION OF WAGES BY PERCENTAGES—WOMEN
OVER EIGHTEEN

	Under \$4	\$4 to \$4.99	\$5 to \$5.99	\$6 to \$6.99	\$7 to \$7.99	\$8 and over
Candy factories	16.2	24.8	24.2	17.1	10.8	6.9
Retail stores	3.1	7.1	19.3	8.4	12.5	39.6
Laundries	2.7	13.4	24.6	19.4	15.0	24.9
Cotton	12.4	10.6	14.9	15.1	13.8	33.2
Total	9.9	12.3	16.7	16.4	13.3	31.4

"Examination of the findings of our own investigators, however, shows that the lowest range of wages is less uniformly distributed within an industry than the statement of an average would suggest. For instance, in the candy industry, with its 41 per cent of adult women receiving less than \$5 a week, a comparison of wage rates in all different establishments shows that the lowest wages are confined to four factories, in one of which, indeed, 53.3 per cent of the employees received less than \$5, while the other seven factories paid not one single employee of eighteen or over so low a wage. The difference between these factories in the kind and grade of their product cannot account for the differences in the wage scale, as both the higher and the lower wage scale prevailed in the factories manufacturing the cheaper line of confectionery. Similar differences between different establishments were found in the stores and the laundries evidence that the industry will bear a higher rate of compensation than some employers pay. These latter, whether because of inefficient management or because they are making unusual profits, are doing business at the expense of their employees.

"These inequalities of wages in the same industry are evidence of the fact to which some of the more thoughtful employers testified—that the rate of wages depends to a large degree upon the personal equation of the employers and upon the helplessness of their employees, and to a very inexact degree upon the cost of labor in relation to the cost of production."

Further details are to appear later in Part II of the commission's report, containing a special report by the secretary, together with appendices upon such topics as "Women Adrift," "What is a Living Wage," and a series of statistical summaries.

A. N. HOLCOMBE.

WOMAN AND CHILD WAGE-EARNERS IN THE UNITED STATES. In 1907 Congress authorized the Secretary of Commerce and Labor to report on "conditions surrounding women and child workers in the United States wherever employed, with special reference to their age, hours of labor, term of employment, health, illiteracy, sanitary and other conditions surrounding their occupation, and the means employed for the protection of their health, persons, and morals." The investigation has been made, and documents dealing with different phases of the subject are being issued by the Bureau of Labor. The entire report will be covered by nineteen volumes, of which fourteen are under present consideration.¹

The first four volumes contain studies of selected industries, cotton textile, men's ready-made clothing, glass and silk. These industries were selected because of the number of women and children employed

¹ *Report on Condition of Woman and Child Wage-Earners in the United States* (61 Cong., 2 Sess., Sen. Doc., No. 645, 1910-1911), prepared under the direction of CHARLES P. NEILL and under the immediate direction and supervision of CHARLES H. VERRILL. I, *Cotton textile industry*, 1910, pp. 1044; II, *Men's ready-made clothing*, 1910, pp. 878; III, *Glass industry*, 1910, pp. 970; IV, *Silk Industry*, 1910, pp. 592; V, *Wage-earning women in stores and factories*, 1910, pp. 384; VI, *Beginnings of child labor legislation*, by ELIZABETH LEWIS OTEY, 1910, pp. 225; VII, *Conditions under which children leave school to go to work*, 1910, pp. 309; VIII, *Juvenile delinquency and its relation to employment*, 1910, pp. 177; IX, *History of women in industry in the United States*, by HELEN L. SUMNER, 1910, pp. 277; X, *History of women in trade unions*, by JOHN B. ANDREWS and W. D. P. BLISS, 1910, pp. 236; XI, *Employment of women in the metal trades*, by LUCIAN W. CHANEY, 1911, pp. 107; XII, *Employment of women in laundries*, 1911, pp. 121; XV, *Relation between occupation and criminality of women*, by MARY CONYNGTON, 1911, pp. 119; XVI, *Family budgets of typical cotton mill workers*, by WOOD F. WORCESTER and DAISY WORTHINGTON WORCESTER, 1911, pp. 255.

and the industries' dependence upon them. The cotton textile industry, for instance, according to the census, employed in 1905 nearly 60,000 more women than any other manufacture, and more children than any other four industries combined. Women and children constituted 53.4 per cent of all the employees in the industry. Men's ready-made clothing is the second manufacture in the country in the number of women employed, though ranking ninth as an employer of child labor; this afforded excellent material for a study of home work. The glass industry has long been a large employer of child labor, and more recently has been an important employer of women. "Essentially spectacular in its processes, it has everywhere attracted the attention of those interested in the problems of child labor, and it has thus played a large part in molding that public sentiment which is everywhere being expressed in laws. Obviously in an investigation of women and child labor, glass could not be ignored" (II, 15). The silk industry, in 1905, was the seventh manufacture in the number of women employed, and third in number of children; it is peculiarly dependent on women and children, who constitute 66 per cent of its wage-earners.

The portion of each industry covered by the investigation varies, but is always so broad that conditions reported may reasonably be believed typical of those generally surrounding the women and child employees. The cotton textile industry was studied in four New England and six Southern states. In 1908, the year of the survey, these states had 85.8 per cent of all spindles in the country. The investigation covered 32 per cent of the operatives in these states. The study of the glass industry included three fourths of the factories in operation and 70 per cent of the industry's women and child workers. The investigation of the men's ready-made clothing manufacture covered nearly 30 per cent of the employees at work in the industry in five cities which produce over 68 per cent of the total value of the product. The report on the silk industry is based on a study of 174 establishments, out of a total of 624 recorded by the census of 1905. In selecting regions and establishments for study, care was taken to include different sections of the country and varied types of establishment, large, small, urban, rural, old, new, good, bad and average. All points on which investigation was ordered are treated as regards the occupations in each industry in which women or children are employed. Occupations employing only men are omitted from the survey. In the analysis of the labor force and

of hours of work and wages, a particularly valuable service is rendered by tables showing the relation between age and wages. Overtime and night work are carefully reported. Industrial processes and factory conditions are described. Agents studied the home conditions of a part of each industrial group, reporting on the character of dwellings and neighborhoods and on the amount and sources of family income.

Volume V is a report on living conditions of women wage-earners, based on a study of nearly 8000 women employed in stores and factories, and of waitresses in about 73 per cent of the hotels and restaurants of New York, Chicago, Philadelphia, St. Louis, Boston, Minneapolis, and St. Paul. This volume, of course, is extensively supplemented by material in other volumes of the report. Volume VI is a history of the beginnings of child labor legislation (prior to 1860 in several states and down to the present in four Southern states). Volume VII reports on conditions under which children leave school for work, being a study of 622 such children, below high school grade, excluding negroes in the South. Two northern and two southern states are represented, and the seven localities covered in this study—Pawtucket and Woonsocket, R. I., Plymouth and Hazelton, Pa., Columbia, S. C., and Columbus and its environs, Ga.,—were chosen because of the variety and the typical character of child labor present, school conditions, and the presence of different racial, social and industrial features. It was obviously necessary to select places small enough to allow thorough visiting of schools.

Volume VIII is a report of juvenile delinquency and its relation to employment; Volume IX, a history of women in industry, by Miss Sumner; Volume X, a history of women in trade unions, by Messrs. John B. Andrews and W. D. P. Bliss. Volume XI, on the employment of women in the metal trades, is essentially a study of accidents to machine operators, based on an investigation of 246 factories in 13 states. Volume XII, on women's employment in laundries, is primarily a study of the reaction on health from laundry occupations. The investigation was carried on in five cities, in 315 laundries employing over 6000 employees, more than 80 per cent of whom were women. Volume XV is a report on the relation between occupations and criminality of women, and Volume XVI, a report on family budgets of typical cotton mill operatives. The last two have been issued too recently to be reported on at present. Volumes in preparation deal with employment of women and infant mortality, causes

of death among women and child cotton mill operatives, hook-worm disease among cotton mill operatives, employment of women and children in selected industries, and labor legislation and factory conditions.

In spite of its breadth the survey is detailed, even intimate. Inaccuracy on some points is admitted, notably on the ages of children at work and on annual family income. Statements are cautious and the temper of the report appears fair. Different parts vary in excellence, but the general level is high. The report is eminently readable and contains some passages of vivid description and penetrating analysis.

From the varied material presented, little can be selected for notice. The investigation has, in general, confirmed and supplemented the results of recent surveys. That women's employment depends on industrial environment and race influence rather than on the specific character of the occupation, is indicated by the very different proportion of women to men in the same industry in different localities. Men predominate, for instance, in New Jersey, as silk weavers and warpers, while women predominate in these occupations in Pennsylvania (IV, 55). It should be noted, however, as regards the occupations cited from the silk industry, that they generally demand less skill in Pennsylvania, where the silks manufactured are of the plainer sort.

The investigation constitutes additional evidence that women and men are so seldom employed in the same occupation that their wages are practically fixed in different markets. Immaturity, consequent specialization in unskilled occupations, brief industrial careers, and the unorganized character of their labor are the causes of women's low wage level conspicuously evident in this survey. The social and industrial inefficiency due to this wage level is made vividly apparent.

The youth of the typical woman wage-earner is one of the most striking impressions conveyed by the report. In the southern textile establishments visited, "the number of females at eighteen is much in excess of those of any other age" (I, 42); and 60.8 per cent of the females employed were under twenty-one. In New England the predominant age of women in this industry is twenty-one. In the Pennsylvania silk mills visited, 74.2 per cent of the females employed were under twenty-one, 51.7 per cent falling in the age group 16-20 (IV, 53). The bureau did not secure this information in the Paterson mills, but the New Jersey census of 1905 reports 33.9 per cent in

this group. More females employed in this industry are reported at sixteen than at any other age. Half the women investigated in the clothing industry were under twenty-one, while only about one fifth of the men in the industry fall in this age group. This industry shows "the fact common to industries in general, viz.: That women are employed with much older men. To the extent that they are in competitive occupations, women must be handicapped by their limited experience in industry" (II, 57). Plainly most wage-earning "women" are at an age when their surroundings play a large part in shaping moral and physical health.

"The pin-money girl" appears an insignificant figure. The great majority of the women studied who lived at home contributed their total earnings to the family fund. This is stated of 84.3 per cent of those in New York stores and 88.1 per cent of New York factory workers. These percentages were but slightly smaller in Chicago and St. Louis. "Taken as a whole it appears that the problems of wage-earning women with homes are as difficult as those which must be solved by the wage-earning women adrift" (V, 137). The report affords much evidence of the unity of the family income and of the importance of women's contributions to it in the groups studied.

The account of home work (II, ch. 5) outdoes the reports of private agencies in its recital of vicious conditions, though "in selecting from the cases found for purposes of illustration those picturing the worst conditions were not chosen." The bureau recommends abolition of home finishing, as impossible of regulation. "It is not claimed that all home finishing is done under unsanitary and revolting conditions, and yet the fact that it can be done under such conditions, and that much of it is so done, forces the conclusion that such a method of manufacture should be abolished in the interest of the public health" (II, 316). Along with the pin-money girl, another figure seems eliminated from informed discussion—the poor widow with a family to support to whom home finishing is a godsend. Such a widow "was not found among the home finishers. If she were a factor her poor children would starve, as the remuneration for this class of labor falls far short of supporting its most diligent and tireless workers."

The report presents interesting evidence of the large amount of child labor employed and of its relative decrease. Many factors appear influential—rapid industrial expansion, social ideals expressed in law and administration, family standards and incomes, and the character of schools. The report on the glass industry calls attention to

the possible effect of custom in perpetuating child labor when the substitution of machinery or of older workers is possible or even profitable. In some glass factories the mold is "so near the ground that only a small child could crouch beneath its handles, or the space reserved for the snapping-up boy was too limited for use by anyone but a small child." It has been found in many factories that "by raising the height of the mold and by opening up the working space, larger boys or even men can be employed with perfect satisfaction" (III, 201). On the substitution of "old men," fifty-five and over, for boys in glass factories, the report says: "The usual boy, in carrying in, rushes madly to the leer with his paddle full of bottles, dumps them in carelessly, and then spends several seconds straightening them up before he rushes back with almost the same speed to get a second load, frequently arriving before it is ready for him, in which case he utilizes the time by making a noise or by throwing bits of glass at the snap-up or the mold boy. The man, on the other hand, walks slowly to the leer, sets up his paddle full of bottles with care, and then walks as deliberately back to the shop, arriving usually just as the next load is ready for him. In other words much of the supposed agility, nimbleness and speed of the boy is nothing but waste effort, and interferes with rather than increases the rate of production" (III, 171).

On the moral, intellectual and physical dangers surrounding women's and children's employment, the report is extremely significant. Considering the nature of forthcoming volumes, detailed statement on this aspect of the investigation may better be postponed. It is clear that strenuous effort is needed for the solution of certain problems of factory sanitation and safety. Equally clear, and a sharper challenge to social compunction, is the evidence of failure to apply generally to these problems such knowledge as is available.

The whole survey testifies to serious social waste accompanying women and child labor. The devitalization of great numbers of the youth of each generation, needless risk from disease and accident, loss of moral and industrial strength entailed by a wage that denies reasonable life to thousands of women, wasted efficiency due to the haphazard way in which children drift into occupations regardless of ambition or fitness—these are shown to be general and to call for relief. Despite its relatively small scope, the study of children leaving school for work is one of the most important and suggestive parts of the report showing the waste due to social inertia.

The value of the report and its defects are both powerful arguments for such national activities as this and for such institutions as the new Children's Bureau. The government's resources and the official nature of its investigation have given peculiar scope and authority to its findings. Yet so constantly are these phenomena affected by market changes, immigration, legislation and voluntary effort that much of the report was obsolete by the time of its publication. The desirability of continuous rather than occasional effort on the part of the government to discover and publish the conditions to which its citizens are subjected by industrial circumstances could not be more strongly affirmed than by this notable survey.

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The National Child Labor Committee (105 East 22d St., N. Y.) has added to its list of pamphlets *Child Labor in Virginia*, by A. J. McKelway (No. 171, pp. 12). Since the federal investigation by the federal Bureau of Labor, Virginia has enacted an age limit of fourteen, exempting, however, children between twelve and fourteen of dependent parents. A special investigation has recently been made of cases where permits were granted and it is claimed that there was inadequate justification for granting such permits.

The *Report of the Commission to Investigate the Conditions of Working Women in Kentucky*, submitted to the Governor (Louisville, Mrs. R. P. Halleck, secretary, Dec., 1911, pp. 55), discusses sanitary conditions, wages and overtime, summarizes labor laws, and makes recommendations. In five industries employing 4664 women, the average wage was \$5.96 as compared with \$6.50 regarded as a necessary standard for subsistence in Louisville. Some attempt is made to classify wages. Bad sanitary conditions and sweating practices are shown to be common.

In connection with the wage disputes in the coal-mining industry the *Thirtieth Annual Coal Report of Illinois* for 1911 (Springfield, 1912, pp. 445) furnishes a large amount of statistical data systematically classified. Machine mining is increasing, and now produces 41 per cent of the total tonnage. Little improvement has been made in the accident record. The average price paid per gross ton for hand mining was \$0.627 as compared with \$0.597 in 1910.

A special committee of the House of Representatives has submitted

(March 9, 1912) a report on *Taylor and Other Systems of Shop Management* (H. R., No. 403, 62 Cong., 2 Sess., pp. 7). It is adverse to any legislation at this time. Standardization and systematizing is advocated, but "stop-watch time study" should not be made without consent of workmen. Over-stimulation is the factor most feared.

The subject of scientific management is considered in two federal documents: *Investigation of Taylor System of Shop Management, Hearing* May 1, 1911 (Washington, Com. on Labor, 1911, pp. 70); and *Report Amending H. R. 90 Authorizing Committee to Investigate Taylor System and Other Systems of Shop Management*, June 24, 1911 (H. Rept., No. 52; 62 Cong., 1 Sess., pp. 12).

The Virginia State Library has issued *Legislative Reference Lists 1912* (Richmond, 1911, pp. 70). Included are bibliographies on cold storage, convict labor, semi-monthly payment of wages, train-crews, and employers' liability.

The Iowa Employers' Liability Commission has published a small pamphlet giving a summary of *Workmen's Compensation Laws* recently enacted in ten states. (Des Moines, 1912, pp. 13.)

Michigan has added its contribution to the extending list of state reports on workmen's compensation. *The Report of the Employer's Liability and Workmen's Compensation Commission* (Lansing, 1911, pp. 152) covers familiar ground. This commission was more than usually successful in obtaining records of accidents and the costs of settlements as a basis for making recommendations. The report is supplemented by *A Special Message of Governor Osborn* of Michigan, Feb. 26, 1912, recommending legislation (Lansing, pp. 8).

With the growth of interest in questions of child labor and industrial accidents the proceedings of associations of public officials who have to deal with labor legislation increase in interest. Less space is given to rehearsal of familiar essays and more to concrete experience. This is seen in the *Proceedings of the Twenty-fifth Annual Convention of the International Association of Factory Inspectors* held at Lincoln, Nebraska, September 18-22, 1911. (W. W. Williams, secretary, 704 Fullerton Building, St. Louis, 1911, pp. 141.)

The Industrial Accident Board of California (907 Royal Insurance Building, San Francisco) has issued a brief summary of the *Roseberry Liability and Compensation Law* which became effective Sept. 1, 1911. It appears that since the new law went into opera-

tion liability insurance rates have been increased, due to the increased liability of the employer who no longer enjoys the old defenses which he could plead. Voluntary compensation schemes, however, are being established whereby, it is believed, the cost of compensation will not materially exceed that under the old system. The pamphlet clearly explains the meaning of the new law and answers objections.

The Committee on Industrial Relations (607 Kent Hall, 116th St., N. Y.) is circulating a series of pocket pamphlets in advocacy of the Hughes-Borah bill to create a federal commission on industrial relations.

A special committee of the Federal Council Commission of the Churches of Christ in America (215 Fourth Ave., N. Y.) has recently issued an interesting report on the *Industrial Situation at Muscatine, Iowa*. This city during the past year has suffered from a prolonged strike on the part of the button workers.

In the *Eleventh Annual Report of the Commissioner of Labor of New York* for 1911 (Albany, 1912, pp. 383), it is noted that it is extremely difficult to enforce the provisions of the labor laws relating to public works. The term "prevailing rate of wages" cannot be accurately defined, and the penalties are so drastic that great caution must be exercised in applying the law. Nor has the law reserving to American citizens the privilege of working on public work been enforced with success. Little heed has been paid by magistrates and public officials when notified of violations. The number of inspectors for enforcing the statutes relating to manufacturing in tenement houses is altogether too few. About four per cent of the factory workers were injured during the year. For the first time accidents in the prosecution of building and engineering work are reported, amounting to 15,000. The subject of industrial diseases receives special attention.

Apparently, if one may judge from the *First Annual Report of the Bureau of Labor of the Philippine Islands* (Manila, 1911, pp. 174), the labor problems of America are reproduced in about every detail in our eastern colonial possessions. The report discusses accidents, employment agencies, strikes, wages, migration of laborers, and prices affecting the cost of living.

Part IV of the *Hearings before the Employers' Liability and Workmen's Compensation Commission* (Washington, 1912, pp. 1115-

1473) contains an extended brief on legal aspects of workmen's compensation, by Carman F. Randolph.

Mr. Charles M. Cabot (95 Milk St., Boston) has recently issued a circular letter transmitting a statement relating to *Hours of Labor in the Steel Industry*, by John A. Fitch. It is noted that the Steel Corporation is engaged in eliminating seven-day work from its plants, but that the evils of a twelve-hour day are not adequately recognized. In this connection the Steel Corporation has published *Copies of Letters Received from Stockholders in Answer to the C. M. Cabot Circular Letter of March 26, 1912* (pp. 73).

Mr. Edward F. McSweeney has printed in pamphlet form his address before the Massachusetts State Board of Trade, Feb. 14, 1912, on *The Case Against the Minimum Wage*. The arguments are forcibly presented.

The Third Annual Report on Labor Organizations, for 1910, of the Bureau of Statistics of Massachusetts (Dec. 15, 1911, pp. xi, 56) contains a chart showing the percentage of trade-union members unemployed in Massachusetts, New York, and the United Kingdom, 1908-1910. Curves are brought into comparison. Indirectly the similarity of these curves testifies, on the whole, to the approximate accuracy of the data collected by the trade-unions.

The Emerson Company (30 Church St., New York) has published a valuable pamphlet entitled *Comparative Study of Wage and Bonus Systems* (pp. 27). Comparisons are made of six well-known bonus systems comprising the Halsey one-third system, Halsey one-half system, Rowan system, Taylor differential rate piece system, Gantt bonus system, and the Emerson bonus system. Diagrams illustrate the differences.

The Library of Congress has issued a *Select List of References on Employers' Liability and Workmen's Compensation* (Washington, 1911, pp. ix, 196). This continues the bibliographies published in 1906 and 1908. The annotation is quite complete.

The Labour Department of the British Board of Trade has published a *Report on the Accounts of Expenditure of Wage-Earning Women and Girls* (1912, pp. 96, 5d.). Expenditures are concerned with only thirty persons, but they have some value as they cover the weekly accounts for a whole year. Of the thirty, twenty-three lived at home. Weekly earnings ranged from 4s 10 1-4 d. to 28s. 10 3-4d.

The Fourth Report of the Register of Boards of Conciliation and Investigation issued by the Ministry of Labour of Canada (Ottawa, 1911, pp. 306) is of more than usual interest as it contains a review of the work accomplished under the Industrial Disputes Investigation Act of 1907 since its beginning; and it is hoped that this compilation may serve as a documentary reply to the many inquiries which the Department of Labour is constantly receiving in regard to the operation of this act. The total number of cases dealt with, 1907-1911, is 106. A threatened strike or lockout has been averted in 95 cases; in 10 cases there was a failure.

Reference has been made in the March and December (1911) numbers of the REVIEW to the inquiry of the British Board of Trade in regard to earnings and hours of labor. Another report has been issued, Volume VII, on *Railway Service in 1907* (London, Wyman, 1912, pp. xxix, 258). The classification and distribution into wage groups is to be commended as conforming to best statistical standards in handling wage statistics.

Money, Prices, Credit and Banking

Mr. J. Howard Cowperthwait advocates in *Separate Reserve Associations* (New York, American News Company, 1911, pp. 44, 25c.) the establishment of a number of independent reserve associations in place of a single organization as proposed under the Aldrich plan. It is believed that popular objection to a concentration of control would thus be obviated, and that different sections of the country could adjust discount rates and requirements as to nature of security with less likelihood of disturbance. Washington as the headquarters of a national association is objected to as it is not the financial center, but "the hotbed of political activity." A favorable word is said in behalf of developing the National Currency Associations. The writer is in favor of permitting banks to make acceptances upon time bills, and of allowing them to count as legal reserve clearing house loan certificates to the extent of one half of the required reserve.

In the *Annual Report of the Superintendent of Banks of New York* (Albany, Dec. 31, 1911, pp. 320) special emphasis is laid upon the subject of examination. Returns from 41 states show that the cost of examination of state banks was 6.7 cents per thousand dollars of assets, and that the cost for national banks was 4.7 cents per thousand dollars.

The International Institute of Agriculture (Rome, Italy) has recently published in English two pamphlets on the Raffeißen system of rural corporation credit and its possible application to the United States. Letters by Mr. David Lubin are printed in response to inquiries made by the governor of Nebraska and the managing director of the Southern Commercial Congress.

The *Annual Report of the Postmaster General of the United States* for 1911 (Washington, 1912, pp. 39) notes the success of the postal savings system and advocates a parcel post and governmental operation of telegraph lines.

The "Banking Law Journal" (27 Thames St., N. Y.) has published a serviceable volume entitled *Governmental Supervision of Banking throughout the World* (1911, pp. 60, \$1.000). The summaries deal with commercial bank law, savings banks, trust companies, loaning provisions, and penalties.

Hearings in regard to a money trust held before the Committee on Rules have been published in two parts (No. 1, Jan. 26, 1912, pp. 44; No. 2, pp. 58). A previous document to be noted in this connection is *Hearings*, Dec. 15, 1911 (pp. 51), at which Mr. Lindbergh testified at length.

The Laws, 1907, 1909, 1911, of Pennsylvania Relating to Corporations under the Supervision of the Banking Department have been issued as a pamphlet supplementary to the *Digest* published in 1905. (Harrisburgh, 1911, pp. 63.)

The act whereby every investment company operating in Kansas comes under the supervision of the bank commissioner has been printed as a separate and may be obtained of the commissioner (Topeka, Kansas). By this law full statements must be made in regard to proposed plans of transacting business, including names of promoters and financial responsibility. Under this law, passed March 10, 1911, Kansas has already been freed from irresponsible promotion schemes.

In *Reform of the Currency*, Mr. J. N. Dolley of Kansas, in an address before the National Association of Supervisors of State Banks, Nov. 21, 1911, criticises the Aldrich plan on the ground that adequate provision has not been made for state banks. Advantages to state institutions have "been more or less grudgingly granted." In particular the restriction of membership to banks with a capital of

\$25,000 or over should be abandoned; of 889 state banks in Kansas, 657 have a less capital. The requirement of a combined capital of \$5,000,000 for a local association is also regarded as too large for the more thinly populated sections. The plan of election of officers of the national association is criticized; and voting power should not be based upon capitalization. (Topeka, 1911, pp. 23.)

From Australia has been received *Inquiry into the Cost of Living in Australia, 1910-11*, prepared by G. H. Knibbs of the Commonwealth Bureau of Census and Statistics (Melbourne, 1911, pp. 20). Data are based upon 212 budget books which were distributed for the purpose of records; the weekly account books contained 56 pages of schedules. About half of the returns were from families having incomes of £200 or less per annum. Food took 29 per cent, housing 14 per cent, clothing 13 per cent, food and light 31½ per cent. The analyses, showing conditions of families as to occupation, income, ownership of homes, comparisons with other countries, etc., are instructive as examples of statistical method.

Public Finance

In *Combined Statement of the Receipts and Disbursements of the United States during the Fiscal Year, 1911* (Washington, Treasury Department, 1911, pp. 81), which contains the most detailed statement of the federal budget, a slight change has been introduced whereby the net payments from the Treasury by appropriations are stated (arranged by departments and bureaus) according to the particular years for the service of which the disbursement was made. Hitherto the disbursements for current and prior years have been shown in one figure for each object of appropriation.

Under date of December 16, 1911, the Commissioner of Internal Revenue decided that dividends paid by insurance companies are not deductible from gross revenue, either when paid in cash or when used to purchase paid up additions, or for other purposes connected with the insurance policy. The insurance companies by their officers and counsel represented through extended hearings that the dividends of mutual and participating insurance companies are not dividends in the commercial sense of the word but are simply refunds to the policy holders of the overcharge. The commissioner rules that this contention is not warranted, because, first, most companies are in a position to pay dividends in the commercial sense, and, second, whatever

may be the real character of the money refunded by the insurance companies, it is clear that Congress, in the special excise tax on corporations, had in mind the payments which the insurance companies themselves have been designating as dividends. The commissioner acknowledges that certain decisions of the state courts appear to lend color to the assertions of the insurance companies, but contends that the Corporation Tax statute, having been passed since the decision in question, must be construed in accordance with the ordinary meaning of the language used.

M. H. R.

The Committee on Ways and Means has submitted a series of reports recommending tariff changes. Among these are to be noted: (1) *Report on Schedule A, Chemicals, Oils, and Paints* (H. R., No. 326, 62 Cong., 2 Sess., Feb. 16, 1912, pp. 426) which assembles a large amount of data in regard to the industries affected. Appendices compare rates proposed under the reported bill (H. R. 20182) with those of the act of 1909; a "glossary" prepared by the Tariff Board, analyzing the act of 1909 by paragraphs and presenting a statistical survey of the industries affected with a comparison of tariff laws since 1883. This latter is of more than immediate interest, for the report in much detail explains the use of materials in the several branches of the chemical industries. The report by the Tariff Board has also been published separately (pp. 274).

(2) *Report to Reduce Duties on Metals and Manufactures of Metals* (H. R., No. 260, 62 Cong., 2 Sess., Jan. 25, 1912, pp. 98). An appendix shows tariff rates on metals and their manufactures in foreign countries. As a rule the rates proposed in the bill accompanying the report are higher than those levied by other nations.

(3) *Report to Reduce Duties on Wool and Manufactures of Wool* (H. R., No. 455, 62 Cong., 2 Sess., March 27, 1912, pp. 82). This report accompanies House bill 22,195, which is practically identical with House bill 11,019 passed last year and vetoed by the President, and is devoted to an analysis of the report of the Tariff Board. The views of the minority may be found on pp. 73-78. Each party to the controversy rests upon evidence presented by the Tariff Board.

There is ample evidence of the exhaustive investigation which is being made by the federal Commission on Economy and Efficiency in a series of reports which has recently appeared. Among these are to be noted *Report of the Commission*, etc., *Message from the Presi-*

dent (Sen. Doc., No. 293, 62 Cong., 2 Sess., Feb. 5, 1912, pp. 37); *Memorandum of Conclusions concerning Handling Correspondence* (Circular No. 21, 1912, pp. 36); *Report to the President on the Use of the Outline of Organization of the Government* (Circular No. 22, March, 1912, pp. 8); *Message of the President on Economy and Efficiency in Government Service* (House Doc., No. 458, 62 Cong., 2 Sess., Jan. 17, 1912, 2 vols.); and *Message* (same subject), communicated Apr. 4, 1912 (pp. 12).

The two volume message of Jan. 17, contains outlines of government of the different branches of public service. This is constructed on the loose-leaf principle. For the outlines of the government of the District of Columbia, details are added to indicate the serviceability of the plan.

The commission proposes that the distribution of public documents should be centralized in the office of the Superintendent of Documents of the Government Printing Office, instead of as at present by various departments and bureaus. A plan for this centralization is outlined. Much duplication of organization and work would be avoided, resulting in an annual saving of \$250,000. In another report, the commission estimates that a saving of \$250,000 a year may be effected through the use of "window" envelopes in the government service, saving the work of addressing letters.

The resolutions which were adopted by the second New York State Conference on Taxation have been printed (E. L. Heydecker, secretary, assistant tax commissioner, New York). The New York Tax Reform Association has also published an address delivered at this conference, by A. C. Pleydell, on *Taxation in New York* (pp. 8).

The New York Tax Reform Association has issued its *Twenty-first Annual Report* (A. C. Pleydell, secretary, 29 Broadway, N. Y., 1911, pp. 11). Tax reform during 1911 is regarded as most encouraging. Discussion by topics makes this a helpful aid to students of taxation.

Under date of Feb. 6, 1912, the Bureau of Statistics of Massachusetts issued a circular in regard to a recent amendment of the *Town Note Certification Act and the Incurrence of Debt*. The act prohibits towns from issuing demand notes, and defines the methods by which money may be borrowed.

The Insurance Department of New York has published a pamphlet

on *Fees and Taxes Charged New York Insurance Companies by Insurance Departments of Other States* (Albany, 1912, pp. 44).

The subject of licenses and fees charged in the regulation of passenger carrying vehicles in New York City is discussed in a special report made by the Commissioner of Accounts (N. Y., Jan. 23, 1912, pp. 29).

The Wisconsin State Board of Forestry has issued a report on *The Taxation of Forest Lands in Wisconsin* (Madison, Wis., 1911, pp. 80) in which it is noted that the common method of exempting wood lots from taxation for limited periods of time has been inconsequential in its results. It recommends a new policy whereby land may be entered with the State Board of Forestry to be classified for taxation. Land so classified is to be subject to certain regulations of the forestry board.

The *Third Report of the Joint Special Committee on the Taxation Laws of Rhode Island* recently presented (Providence, 1912, pp. 103) submits two plans, one providing for the taxation of corporate excess at a uniform rate, and the other for the taxation of gross earnings of public service corporations and the application of the corporate excess principle to all other corporations. The rate proposed on corporate excess and intangible personal property is 4 mills.

Part II of the *Annual Report of the Rhode Island Bureau of Industrial Statistics*, for 1911 presents the first report on the statistics of municipal finance of the cities and towns in Rhode Island. An attempt made the year before to secure the data for such a report by sending schedules to the municipal treasurers had failed; and the report issued has been prepared by the Commissioner of Industrial Statistics from the printed reports and statements of the local treasurers; in most cases for the fiscal year ending in 1910. The tables published show, for each of the six cities and thirty-two towns in the state, statistics of property valuations, tax rates, indebtedness, and current receipts and expenditures, classified according to the schedules of the United States Census Bureau.

In summarizing the results of this compilation, Commissioner Webb recognizes the lack of perfection, which could hardly be avoided in a work undertaken without any special appropriation and without any authority over the local accounts. But the data in the various local reports have been carefully collected and made available for comparison and study. The Commissioner recommends legislation

to aid in compiling similar reports in the future, and also asks for legislation regulating the borrowing of money by towns, similar to the certification of town notes recently established in Massachusetts.

J. A. F.

The Efficiency Division of the Civil Service Commission of Chicago has recently published *Charts of Organization of All Departments in the City of Chicago*, as in effect February, 1912. These indicate lines of authority and responsibility, titles, classification, grades, number, and salaries of positions, and the total number and compensation of the employees assigned to the various departments, such as the City Council, Department of Buildings, Board of Education, etc.

Of interest to the student of municipal finance is the *Thirty-Eighth Annual Report of the Commissioner of Accounts of the City of New York*, for 1910 (June 1, 1911, pp. 38). This officer has power not only of audit but of investigation.

The Pittsburg Civic Commission (324 Fourth Avenue) has issued a *Report on Expenditures of the Department of Charities* (1911, pp. 14). Tables show comparative costs in a number of large cities for relief, medical service, care of insane, and investigation.

In the *Report of the State Board of Equalization of Taxation of New Jersey* (Trenton, 1911), for 1911, classification of intangible property with specific rates is recommended.

The different methods of taxation in operation in British Columbia are discussed in *Synopsis of Report of the Royal Commission on Taxation* (Victoria, B. C., 1912). Recommendations are made affecting the income tax, assessment of real estate, the coal tax, succession duties, and the bank tax.

Housing

Bulletin No. 88, published by Bureau of Statistics of Massachusetts, is devoted to the subject of *Homesteads for Workmen* (Boston, Jan., 1912, pp. 46). There is a compact account of the "character and scope of the principal projects for housing working people" in Europe, Australasia, and America. It deals primarily with the building of suburban workmen's homes by state and municipality, but includes in a brief way for some countries state subsidization, loans, tax exemption, colonization of unemployed, and government land policies. The report is compiled almost exclusively from secondary

authorities, some of which are of doubtful value. In addition to the report, the bulletin comprises a statement of the history of the Homestead Commission of Massachusetts, its report of Jan. 10, 1912 and a bill "to extend and define the duties" of that commission. A ten page bibliography is included. J. F.

The Massachusetts Civic League (3 Joy St., Boston) has issued a leaflet on the housing problem, in which past legislation is briefly summarized and a new law proposed.

A Committee of the Albany Chamber of Commerce has recently submitted a report on *Moderate Cost Houses*. The need of homes for the working classes properly located near trolley lines stimulated this inquiry. The immediate problem is the construction of a home that would bring a fair return on investment at a monthly rental of \$18. Various plans are submitted.

The subject of housing is also treated in the "Civic Bulletin" of the Pittsburg Civic Commission (402 Keystone Building) for January, 1912. Emphasis is laid upon the necessity of revising the tax laws so that the tax rate on buildings shall be only half of the rate on land. The report is based on statistical data.

In New York a bill to carry out a similar proposal was the subject of discussion at the recent legislative session. The Merchants' Association of New York City referred the matter to a committee composed of Professor J. F. Johnson, Professor Seligman, and former comptroller H. A. Metz. This report, published in "Greater New York," issue of March 4, 1912 (54 Lafayette St., N. Y.), is adverse. Though land values would be reduced (probably about ten per cent), it would place a premium on the erection of tall buildings and cheap tenement houses in the crowded parts of the city. It would be unjust to present owners of land; it does not take account of improvements which have become part of the land; it would lessen municipal revenue, and lower the debt limit of the city.

Demography

In *Mortality Statistics: 1910*, published by the Bureau of the Census as Bulletin 109 (Washington, 1912, pp. 191), it is noted that three states, Minnesota, Montana, Utah have been added to the registration area, and for North Carolina municipalities with population of 1000 and over are for the first time included. This latter step is of interest as representing the first compilation by the Bureau of the

Census of vital statistics in the South. South Dakota has been withdrawn on account of defective returns. The population of the registration area has increased from 51.1 per cent to 58.3 per cent of the total. For this bulletin rates are furnished based on the new census of 1910. The death rate for 1910 was 15 per 1000 as compared with 14.4 in 1909. In presenting tables of causes of deaths the classification conforms for the first time to the second revision prepared by the International Commission of Revision in Paris in 1909. There is a special discussion of the most important causes of death of infants shown for the first seven days, first four weeks, and single months up to two years of age.

The *Proceedings of the First Wisconsin Country Life Conference*, held at Madison in February, 1911, have been published by the College of Agriculture (Madison, pp. 106). Of interest are the maps showing the nationality of rural population.

The Bureau of the Census has issued a Bulletin on *Center of Population* (pp. 8), in which care is taken to show the difference between center of population and center according to median lines.

Under date of Feb. 27, 1912 the Minister of Agriculture of Canada has issued *Area and Population, Special Report on the Fifth Census of Canada* (Ottawa, pp. 172). In the last census decade the rural population has increased 16.48 per cent, and the urban, 63.83 per cent. The report is published in French as well as in English.

Credit should be given for the improvement in recent years in the form of the *Annual Report of the Commissioner General of Immigration*, the last issue of which is for the fiscal year ended June 30, 1911 (Washington, 1912, pp. 263). The tables now show the numbers of arriving and departing aliens and citizens, the aliens being subdivided into "emigrant" and "non-emigrant," and "immigrant" and "non-immigrant" aliens. This latter classification is based upon the stated intention of the alien as to whether his residence here or abroad is to be temporary or permanent. It is a question how far such a distinction is valuable; for there is no certainty that an alien will stick to his intention, and one result of making the division is a tendency to disregard the "non-immigrant aliens" altogether in speaking of the size of the total immigration. The effects of large numbers of aliens upon the community may be very marked even if their residence is only temporary.

In the case of non-emigrant aliens departing, the sex, age and

length of residence in the United States is given for each race or people, as well as the country of intended future residence. These tables, which have been given in this form only recently, are intended to make possible a survey of the movement of any particular class of workers between any given foreign country and any state or section of the United States. Like all tables depending upon the statements of the aliens themselves, these are subject to considerable error. This is especially true of the destination in this country, as many aliens give the port of entry as their destination and only decide where to go after landing.

Special mention should be made of the discussion (pp. 4-7) of the question of the distribution of aliens. Many writers and speakers assume that proper distribution of aliens would cause the immigration problem to disappear. The Commissioner General's exposition of the practical difficulties of effecting distribution, and of the limits of its usefulness, is the best we have seen.

P. F. H.

The Agricultural Experiment Station of the University of Wisconsin, in its *Circular of Information, No. 29* (Jan., 1912), gives some information in regard to "A Method of Making a Social Survey of a Rural Community," by C. J. Galpin. Facsimiles of schedule blanks are reproduced. It is stated that the information called for on these schedules will be gladly given by someone in the home. Such confidence is of interest as showing the difference in the social organization in the East and in the West. It may be doubted whether such schedules could be adequately filled out in a New England country township.

The *Thirty-Eighth Report of the Bureau of Industrial Statistics of Pennsylvania*, for 1910 (Harrisburgh, 1911, pp. 477), contains a valuable detailed study of property holding of negroes in Pennsylvania, by Richard R. Wright, Jr., editor of the "Christian Recorder," official organ of the African Methodist Episcopal Church of America. (Pp. 54-108.)

The American Unitarian Association has recently issued *Knowing One's Own Community*, by Carol Aronovici (Boston, 1911, pp. 97). This contains suggestions for a social survey of small cities or towns, serving to bring clearly into view the character of the population, industry, character of workmen, chances for permanent employment, social advantages, poverty, etc.

In a pamphlet published by the Bureau of Immigration and

Naturalization on *Distribution of Admitted Aliens and other Residents*, a report of proceedings of a conference held at Washington, Nov. 16-17, 1911, there is a considerable amount of information in regard to the characteristics of immigrants of different nationalities, of the demand for farm labor, and methods of agencies for distributing laborers into agricultural sections. (Washington, 1912, pp. 115.)

Of special interest and value is the *First Annual Report of the Bureau of Industries and Immigration* of New York, for 1911 (Albany, 1912, pp. 184), prepared by Miss Frances A. Kellor. The report is a model in arrangement and interpretation. Among the subjects discussed are distribution of labor, transportation, living conditions, savings, and assimilation of immigrants. An appreciative notice may be found in "The Nation," for March 28, 1912.

No. 59 of the *Publications of the Immigration League* (11 Pemberton Square, Boston, pp. 9) presents a convenient summary of immigration statistics for 1911 based upon the report of the Commissioner General of Immigration.